

SERVICE DELIVERY OPTIONS



Department of Veterans Affairs

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information of the client to whom it is addressed.*

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Purpose...

TODAY'S PRESENTATION REVIEWS THE KEY ELEMENTS OF THE CARES SERVICE DELIVERY OPTIONS (SDOs)

- Introduction
 - What is CARES?
 - What is the goal?
 - Major input into the option development process
 - Major factors arising from data
 - Markets
 - Key questions in each market
- Service Delivery Options
 - Southern Market
 - Central Market
 - Northern Market
- Cost Analysis
- Sensitivity Analysis

Introduction...

CARES IS A PLANNING PROCESS THAT USES A MARKET BASED/NEED BASED APPROACH TOWARD FINDING WAYS TO ENHANCE THE PROVISION OF HEALTHCARE SERVICES TO VETERANS

- Assess veteran healthcare needs
- Identify service delivery options to meet those needs
- Promote strategic realignment of capital assets linked to those needs
- Improve access, quality, and delivery of healthcare

THE DEVELOPMENT AND PRESENTATION OF SERVICE DELIVERY OPTIONS IS ONE STEP IN THE OVERALL PROCESS

Introduction...

TO DEVELOP THE SERVICE DELIVERY OPTIONS WE CONSIDERED NINE MAJOR AREAS

- 2010 Demand Projections
- Planning Benchmarks
- Markets
- Facilities
- Community Resources
- Evaluation Criteria
- Veterans Preference/Survey
- Sensitivity Analysis
- Optimizing Use of Resources

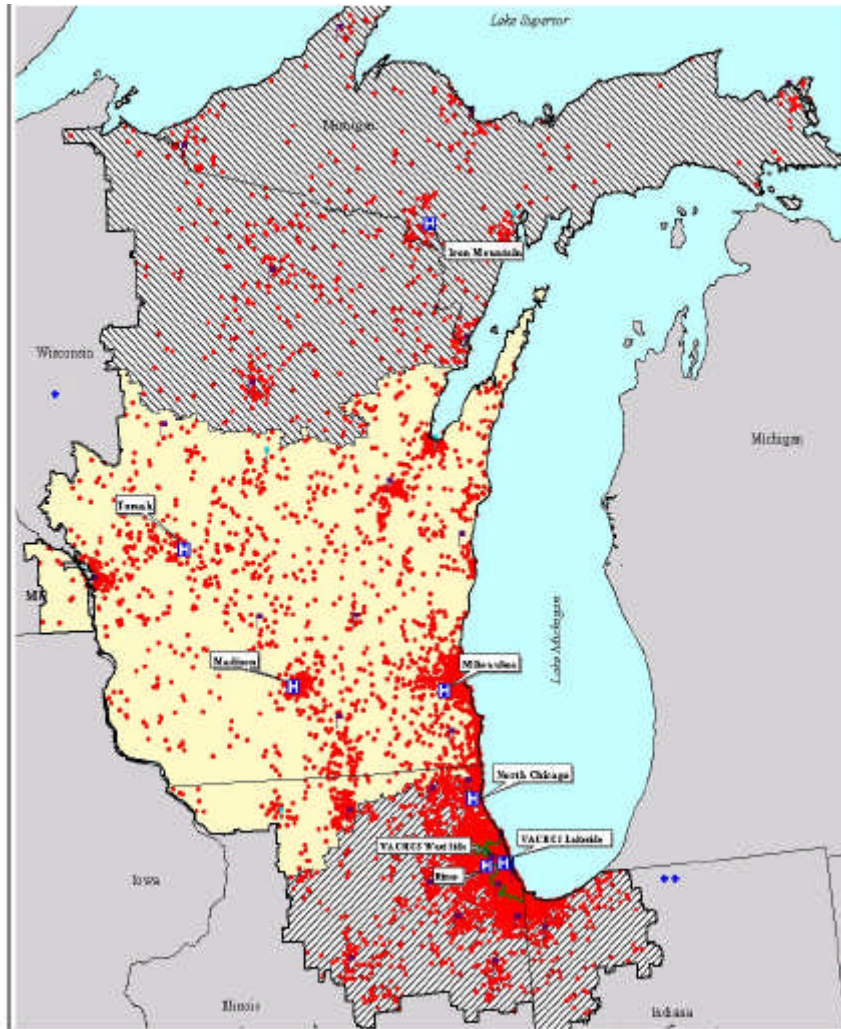
Introduction...

THREE MAJOR FACTORS ARISE FROM AN ANALYSIS OF THE DATA: ENROLLEE POPULATION, FACILITIES, MARKETS

- The enrollee demand projections show a peak in about 2004 and then a decline of about 7% from today's level ($\approx 220,000$ enrolled in 2000 vs. $\approx 203,000$ enrolled in 2010)
 - 18% decline in Categories 1-6, from 158,173 enrollees to 130,314 enrollees for 2010
 - 18% increase in Category 7 from 61,877 enrollees to 72,595 enrollees in 2010
 - Categories 1-6 have the highest utilization, comprising approximately 95% of inpatient population
 - VISN-wide approximately 18.5% of veterans are enrolled
- Many of VISN 12's facilities are old and not up to today's standards (i.e., ADA, VA Handbook 7610, JCAHO Guidelines for Design and Construction)
- VISN 12 segments into three markets
 - Created by population concentrations and in consideration of distance to VA facilities
 - Unique characteristics exist in each market

Introduction...

THERE ARE THREE MARKETS WITH 13 SUBMARKETS



Northern

- Rural
- 15,933 enrollees
- Priority 1-6 – 10,182
- Priority 7 – 5,751

Central

- Largely rural with some urban and suburban
- 76,605 enrollees
- Priority 1-6 – 46,438
- Priority 7 – 30,167

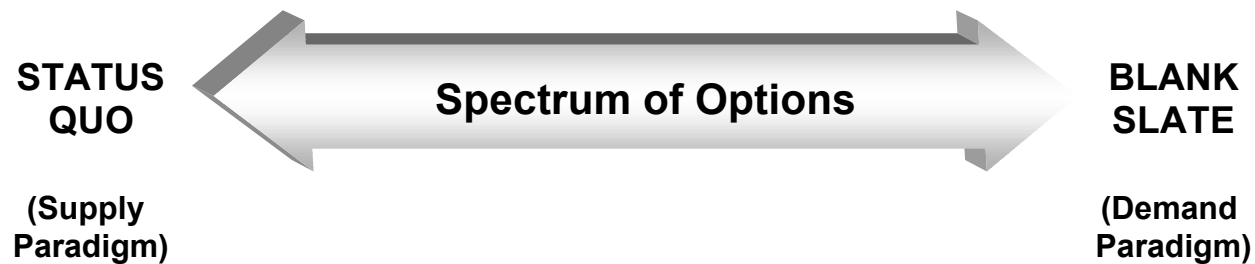
Southern

- Largely urban and suburban
- 108,660 enrollees
- 2 pieces: City of Chicago (Lakeside, WestSide); Suburban (Hines, North Chicago)
- Priority 1-6 – 72,629
- Priority 7 – 36,031

Introduction...

WITHIN EACH MARKET THERE ARE A RANGE OF DIRECTIONS ONE CAN TAKE

- One end of the spectrum focuses exclusively on using existing resources and affiliations—the supply paradigm



- The other end focuses exclusively on the demand and ignores existing resources and affiliations—the demand paradigm

THE REAL OPTIONS EXIST ALONG THAT SPECTRUM

KEY DRIVERS AND CONCLUSIONS FOR EACH MARKET IMPACT THE DEVELOPMENT OF OPTIONS

- Southern
 - Based on projected demand adjusted for migration, 159-190 acute care beds are needed in the city limits of Chicago
 - There is need for suburban medical centers
 - Approximately 94% of enrollees are within the CARES program access standard for specialized ambulatory care and acute inpatient care
 - Key question is, what are the trade-offs between and among supply options vs. demand options?
- Central
 - Milwaukee submarket has a large veteran population center, while the remainder are significantly smaller
 - Approximately 80% of enrollees are within the CARES program access standard for specialized ambulatory care and acute inpatient care
 - Key question is, what roles could or should the existing facilities have going forward?
- Northern
 - The very rural nature, sparse enrollee population, and large area drive the options
 - Approximately 35% of enrollees are within the CARES program access standard for specialized ambulatory care and acute inpatient care
 - Key question is, to what extent is access/travel time a determinant for option development?

Service Delivery Options...

REGARDLESS OF WHICH OPTIONS MIGHT BE SELECTED IN EACH MARKET, OUR INTENT WAS FOR THE VETERAN TO RECEIVE ENHANCED SERVICES AND CARE

- More ambulatory care
- More inpatient surgery
- Higher quality special disability facilities
- Renovated and modernized facilities
- Improved efficiencies in care delivery
- Improved access overall

THESE SIX OUTCOMES ARE AT THE FOUNDATION OF ALL THE OPTIONS

SOUTHERN MARKET

THE SOUTHERN MARKET PRESENTS THE MOST COMPLEX PICTURE IN THE VISN AND THERE ARE MANY DIRECTIONS ONE COULD GO

- Focus on emphasizing existing affiliations, locations, and use patterns or not
- Renovate/rebuild in place and maintain ownership
- Focus on enhanced use agreements
 - Lease back some or all beds for scalability
- Centralize in the city and/or suburbs with one large hospital
- Decentralize with several more modest hospitals
- Services to be provided:
 - Acute Medicine, Surgical and Psychiatry
 - Ambulatory Care
 - SCI-SCD
 - Blind Rehabilitation
 - Nursing Home Care
 - Domiciliary
 - Residential Rehabilitation
 - Long-term Psychiatry

**FOUR OPTIONS WERE DEVELOPED WHICH TAKE DIFFERENT APPROACHES TOWARD
BALANCING THESE DIFFERENT THEMES BETWEEN THE CITY AND SUBURBAN
SUBMARKETS**

- Option A:
 - Closest to the status quo
 - Emphasize existing relationships, locations, use patterns
 - Balance facility ownership with the scalability that comes with leasing back beds in Enhanced Use agreements
 - Propose DoD-VA sharing
 - Relies on suburban hospitals to serve veterans outside the city
 - Maintain/expand Ambulatory Care Center in market
- Option B:
 - Centralize City of Chicago inpatient care
 - Own the inpatient med/surg beds
 - Propose DoD-VA sharing
 - Rely on suburban hospitals to serve veterans outside the city
 - Maintain/expand Ambulatory Care Center in market
- Option C:
 - Centralize City of Chicago inpatient care
 - Enhance use lease back of med/surge beds
 - Propose DoD-VA sharing
 - Relies on suburban hospitals to serve veterans outside the city
 - Maintain/expand Ambulatory Care Center in market
- Option D
 - Share the workload between the city and the suburban submarkets
 - Own the med/surg beds
 - Propose DoD-VA sharing
 - Maintain/expand Ambulatory Care Center in market

OPTION A—OPTION A MEETS DEMAND IN THE CITY OF CHICAGO BY CONSTRUCTING A SMALL HOSPITAL AT WEST SIDE AND LEASING BACK BEDS FROM NORTHWESTERN MEMORIAL HOSPITAL

- Characteristics
 - A 98-bed inpatient medical, surgical and psychiatric facility is built atop the West Side Ambulatory Care Center. The current West Side hospital is closed
 - The Lakeside property is acquired by NMH in an enhanced use agreement, Lakeside VAMC is demolished, and a new NMH hospital is built with a separate VA floor and entrance. VA leases back 79 acute med/surg beds
 - Hines is renovated, new Blind Rehab built, SCI renovated, maintains mission
 - North Chicago is renovated, DoD sharing or a joint VA-DoD facility
 - All four sites continue providing an extensive array of multi-specialty ambulatory care services

OPTION B—THIS OPTION MEETS THE DEMAND IN THE CITY OF CHICAGO BY RENOVATING FACILITIES AT WEST SIDE

- Characteristics
 - West Side is renovated and serves as the single inpatient facility for Chicago (177 beds)
 - Lakeside inpatient services are discontinued. The property is sold or used in an enhanced use arrangement
 - Hines is renovated, new Blind Rehab built, SCI renovated, maintains mission
 - North Chicago is renovated, DoD sharing or a joint VA-DoD facility
 - All four sites continue providing an extensive array of multi-specialty ambulatory care services

OPTION C—THIS OPTION MEETS DEMAND IN THE CITY OF CHICAGO BY DESIGNATING LAKESIDE AS THE DOMINANT SUPPLIER OF ACUTE BEDS

- Characteristics
 - The Lakeside property is acquired by NMH in an enhanced use agreement, Lakeside VAMC is demolished, and a new NMH hospital is built with a separate VA floor and entrance. VA leases back 128 acute med/surg beds
 - A 60-bed inpatient psychiatry unit is built atop the West Side Ambulatory Care Center. The current West Side hospital is closed and inpatient surgery and medicine are discontinued
 - Hines is renovated, new Blind Rehab built, SCI renovated, maintains mission
 - North Chicago is renovated, DoD sharing or a joint VA-DoD facility
 - All four sites continue providing an extensive array of multi-specialty ambulatory care services

OPTION D—IN OPTION D, WEST SIDE AND HINES SHARE THE WORKLOAD TO MEET DEMAND IN THE CITY OF CHICAGO

- Characteristics
 - A 98-bed inpatient medical, surgical and psychiatric facility is built atop the West Side Ambulatory Care Center. The current West Side hospital is closed
 - Lakeside inpatient services are discontinued. The property is sold or used in an enhanced use arrangement
 - Hines is renovated, new Blind Rehab built, Hines is renovated, new Blind Rehab built, SCI renovated, maintains mission
 - North Chicago is renovated, DoD sharing or a joint VA-DoD facility, acute med/surg capacity is increased to share nearby city workload
 - All four sites continue providing an extensive array of multi-specialty ambulatory care services

20-Year “Life Cycle” Costs

Southern Market 20-Year Cost by Facility by CES (Present Value Dollars)						
Domain Area	Direct Medical Costs ¹	Medical Administration Support Costs ²	Facility Operations & Maintenance Costs ³	VA-Unique Operations Costs ⁴	Non-Recurring Acquisition Costs ⁵	Total 20-Year Cost
Baseline*	\$7,704.0M	\$646.3M	\$1,483.0M	\$1,251.0M	\$307.8M	\$11,392.2M
Option A	\$7,705.2M	\$646.1M	\$1,288.9M	\$1,239.5M	\$104.3M	\$10,984.1M
Option B	\$7,625.4M	\$643.5M	\$1,290.7M	\$1,234.7M	\$90.8M	\$10,885.1M
Option C	\$7,702.9M	\$644.7M	\$1,280.4M	\$1,238.3M	\$101.1M	\$10,967.4M
Option D	\$7,504.8M	\$636.9M	\$1,288.9M	\$1,226.7M	\$93.9M	\$10,751.2M

* For informational purposes only. The baseline configuration does not service the same enrollees as the options and therefore costs should not be compared. Any comparison to the "baseline" should only occur at the VISN Level because SDO markets cross baseline facilities domain areas.

1. Direct Medical Costs: Costs that can be directly associated with the actual medical care of a patient (includes non-VA provided care and leases).
2. Medical Administration Support Costs: Administrative and clerical costs associated with medical care.
3. Facility Operations & Maintenance Costs: Engineering and environmental management costs such as maintenance repair, utilities, security, grounds maintenance, etc.
4. VA-Unique Operations Costs: Miscellaneous benefits, services furnished other than VHA, Education and Training, and Research Support (medical appropriation).
5. Non-Recurring Acquisition Costs: Cost of acquiring capital assets and revenue from disposal or Enhanced Use agreements.

CENTRAL MARKET

WITH RELATIVELY FEWER EXISTING ASSETS, A MORE DIVERSE GEOGRAPHY, AND VARIABLE POPULATION DENSITIES THE PRIMARY QUESTIONS REVOLVE AROUND BALANCING ACCESS/TRAVEL TIME, AFFILIATIONS, AND ASSETS

- Emphasize existing affiliations, locations, and use patterns or not
- Focus on enhanced use agreements or not
 - Own beds or lease beds
- Emphasize access/travel time or not
 - Contract our med/surg beds for veterans far from a VAMC
- Services to be provided:
 - Acute Medicine, Surgical and Psychiatry
 - Ambulatory Care
 - SCI-SCD
 - Blind Rehabilitation
 - Nursing Home Care
 - Domiciliary
 - Residential Rehabilitation
 - Long-term Psychiatry

THERE ARE THREE DIFFERENT OPTIONS FOR THE CENTRAL MARKET WHICH APPROACH THESE THREE MAJOR QUESTIONS FROM DIFFERENT ANGLES

- Option E:
 - Preserve existing locations, affiliations, and use patterns
 - Negotiate enhanced use agreements
 - Contract out med/surg beds for veterans with long travel times
 - Expand Ambulatory Care with new CBOCs
- Option F:
 - Same as E, but no contracting
- Option G
 - The most emphasis on existing locations, affiliations, and use patterns
 - Own all the beds
 - Expand Ambulatory Care with new CBOCs

OPTION E—OPTION E OUTSOURCES WITH PRIVATE PROVIDERS TO MEET DEMAND IN SUBMARKETS FAR FROM A VAMC, WHILE LEVERAGING THE RELATIONSHIP WITH AN EXISTING AFFILIATE TO LEASE ACUTE BEDS

- Characteristics
 - Milwaukee is renovated and provides a similar range of services as today
 - Through an enhanced use arrangement Madison is acquired by University of Wisconsin at Madison and VA leases back 44 acute beds
 - Tomah continues much as it is and is renovated
 - A limited number of acute beds and specialty ambulatory services are purchased in the community in areas more than 90 to 120 minutes from a VAMC
 - All current sites maintain active ambulatory care services
 - Approximately 98% of enrollees are within the CARES program access standard for specialized ambulatory care and acute inpatient care
 - New CBOC in Green Bay, in Wisconsin Rapids, and in Freeport

OPTION F—OPTION F LEVERAGES THE RELATIONSHIP WITH AN EXISTING AFFILIATE TO LEASE ACUTE BEDS

- Characteristics
 - Milwaukee is renovated and provides a similar range of services as today
 - Through an enhanced use arrangement, Madison is acquired by University of Wisconsin at Madison and VA leases back 62 acute beds
 - Tomah is renovated and continues current mission
 - All current sites maintain active ambulatory care services
 - There is no routine contracting in the more remote submarkets
 - Approximately 80% of enrollees are within the CARES program access standard for specialized ambulatory care and acute inpatient care
 - New CBOC in Green Bay, in Wisconsin Rapids, and in Freeport

OPTION G—OPTION G SUSTAINS THE MADISON VAMC BY ADDING NURSING HOME BEDS

- Characteristics
 - Milwaukee is renovated and provides a similar range of services as today
 - Madison acquires 75 nursing home beds from Tomah which, in addition to its acute beds, brings the Madison facility to full occupancy
 - Tomah is renovated and provides the same spectrum of services with a reduced number of nursing home beds
 - All current sites maintain active ambulatory care services
 - There is no routine contracting in the more remote submarkets
 - Approximately 80% of enrollees are within the CARES program access standard for specialized ambulatory care and acute inpatient care
 - New CBOC in Green Bay, in Wisconsin Rapids, and in Freeport

20-Year "Life Cycle" Costs

Central Market 20-Year Cost by Facility by CES (Present Value Dollars)						
Domain Area	Direct Medical Costs ¹	Medical Administration Support Costs ²	Facility Operations & Maintenance Costs ³	VA-Unique Operations Costs ⁴	Non-Recurring Acquisition Costs ⁵	Total 20-Year Cost
Baseline*	\$4,021.3M	\$326.6M	\$789.4M	\$556.1M	\$201.2M	\$5,894.7M
Option E	\$3,771.4M	\$330.4M	\$653.3M	\$492.5M	\$55.9M	\$5,303.6M
Option F	\$3,806.5M	\$328.3M	\$653.3M	\$524.2M	\$65.3M	\$5,377.7M
Option G	\$3,833.0M	\$328.3M	\$789.4M	\$545.3M	\$111.4M	\$5,607.4M

* For informational purposes only. The baseline configuration does not service the same enrollees as the options and therefore costs should not be compared. Any comparison to the "baseline" should only occur at the VISN Level because SDO markets cross baseline facilities domain areas.

1. Direct Medical Costs: Costs that can be directly associated with the actual medical care of a patient (includes non-VA provided care and leases).
2. Medical Administration Support Costs: Administrative and clerical costs associated with medical care.
3. Facility Operations & Maintenance Costs: Engineering and environmental management costs such as maintenance repair, utilities, security, grounds maintenance, etc.
4. VA-Unique Operations Costs: Miscellaneous benefits, services furnished other than VHA, Education and Training, and Research Support (medical appropriation).
5. Non-Recurring Acquisition Costs: Cost of acquiring capital assets and revenue from disposal or Enhanced Use agreements.

NORTHERN MARKET

A VERY LARGE RURAL GEOGRAPHY AND SPARSE ENROLLEE POPULATION COMBINED WITH ONLY ONE VAMC LIMITED THE DISCUSSION TO JUST A COUPLE OF KEY QUESTIONS

- Do we contract for services?
- Do we retain the current footprint as a “safety net” in this rural setting?
- Services to be provided:
 - Acute Medicine, Surgical and Psychiatry
 - Ambulatory Care
 - Nursing Home Care
 - Residential Rehabilitation

THERE ARE TWO OPTIONS BOTH OF WHICH MAINTAIN THE CURRENT MEDICAL CENTER

- Option H:
 - Emphasize access/travel time
 - Contract for some acute care beds
 - Contract for some specialty ambulatory services
- Option I:
 - Emphasize the existing facility

OPTION H—IN OPTION H, NURSING HOME, MEDICAL, AND RESIDENTIAL REHABILITATION BEDS ARE KEPT AT IRON MOUNTAIN WHILE SOME ACUTE BEDS AND SPECIALTY AMBULATORY SERVICES ARE CONTRACTED FOR PATIENTS IN REMOTE LOCATIONS

- Characteristics
 - A limited number of acute beds (22) and specialty ambulatory services are purchased in the community for patients in remote areas
 - Iron Mountain will house 62 nursing home, 8 medical, and 7 residential rehabilitation beds
 - The unique telemedicine function at Iron Mountain continues
 - Approximately 83% of enrollees are within the CARES program access standard for specialized ambulatory care and acute inpatient care
 - Add a CBOC at Delta County/Gladstone

OPTION I—IN OPTION I, IRON MOUNTAIN PROVIDES THE FULL CONTINUUM OF CARE AND THERE IS NO CONTRACTING OF SERVICES

- Characteristics
 - Iron Mountain has 89 beds: 48 nursing home; 20 medical; 10 surgical; 7 residential rehabilitation; 4 psychiatric
 - There is no routine contracting in the more remote submarkets
 - Continue as telemedicine hub
 - Approximately 35% of enrollees are within the CARES program access standard for specialized ambulatory care and acute inpatient care
 - Add a CBOC at Delta County/Gladstone

20-Year "Life Cycle" Costs

Northern Market 20-Year Cost by Facility by CES (Present Value Dollars)						
Domain Area	Direct Medical Costs ¹	Medical Administration Support Costs ²	Facility Operations & Maintenance Costs ³	VA-Unique Operations Costs ⁴	Non-Recurring Acquisition Costs ⁵	Total 20-Year Cost
Baseline*	\$543.0M	\$56.6M	\$94.0M	\$23.2M	\$20.9M	\$737.7M
Option H	\$630.7M	\$61.9M	\$94.0M	\$22.7M	\$17.2M	\$826.6M
Option I	\$612.2M	\$62.1M	\$94.0M	\$23.7M	\$19.9M	\$811.8M

* For informational purposes only. The baseline configuration does not service the same enrollees as the options and therefore costs should not be compared. Any comparison to the "baseline" should only occur at the VISN Level because SDO markets cross baseline facilities domain areas.

1. Direct Medical Costs: Costs that can be directly associated with the actual medical care of a patient (includes non-VA provided care and leases).
2. Medical Administration Support Costs: Administrative and clerical costs associated with medical care.
3. Facility Operations & Maintenance Costs: Engineering and environmental management costs such as maintenance repair, utilities, security, grounds maintenance, etc.
4. VA-Unique Operations Costs: Miscellaneous benefits, services furnished other than VHA, Education and Training, and Research Support (medical appropriation).
5. Non-Recurring Acquisition Costs: Cost of acquiring capital assets and revenue from disposal or Enhanced Use agreements.

Cost...

COMPARISON OF 20-YEAR “LIFE CYCLE” COSTS SHOWS POTENTIAL CARES-RELATED COST AVOIDANCE

		<u>Present Value Dollars*</u>	<u>Then-Year Dollars*</u>
Baseline		\$18.025 B	\$30.868 B
Options Range:			
Low	Option D	\$10.751 B	Option D \$18.400 B
	Option E	\$ 5.304 B	Option E \$ 9.063 B
	Option I	<u>\$ 0.812 B</u>	<u>Option I \$ 1.411 B</u>
		\$16.867 B	\$28.874 B
High	Option A	\$10.984 B	Option A \$18.822 B
	Option G	\$ 5.607 B	Option G \$ 9.617 B
	Option H	<u>\$ 0.827 B</u>	<u>Option H \$ 1.438 B</u>
		\$17.418 B	\$29.877 B
Savings Range		\$ 607 - 1,158 M	\$ 991 - 1,994 M

** Facilities costs escalated at 3.3% annually, medical care costs escalated at 4.2% annually, present value discounted at 5.4% annually*

Service Delivery Options...

REGARDLESS OF WHICH OPTIONS MIGHT BE SELECTED IN EACH MARKET THE VETERAN RECEIVES ENHANCED SERVICES AND CARE

- More ambulatory care
 - FY2000—3 Million encounters – FY2010—3.4 Million encounters
- More inpatient surgery
 - FY2000—97 ADC (114 beds) – FY2010—145 ADC (170 beds)
- Higher quality special disability facilities
 - All the programs are supported with new and/or renovated space
 - Blind rehabilitation at Hines—new building
 - SCI-SCD at Hines and Milwaukee—renovated to state-of-the-art
- Renovated and modernized facilities
 - All patient care space is renovated or new construction to today's standards
- Improved efficiencies in care delivery
 - Reconfigured and realigned care spaces provides for improved care delivery
- Improved access overall
 - Through realignment, access to care is improved for veterans

Sensitivity Analysis...

THE LONG-TERM VIABILITY OF THE SDOS ARE NOT JEOPARDIZED BY KEY SENSITIVITY FACTORS

Sensitivity Factor 1: 2010-2020 Expected Demand

Sensitivity Factor 2: Unmet Demand

Sensitivity Factor 3: Changes in Medicare Policy

Sensitivity Factor 4: Economy

Sensitivity Factor 5: Military Conflicts

Sensitivity Factor 6: VA-DoD Resource Sharing

Sensitivity Factor 7: Changes in Medical Practice and Technology

APPENDIX A

PORTFOLIO LEVEL IMPACTS OF OPTION A

FACILITY	REALIGNMENT OF MISSION / UTILIZATION		
	CURRENT	PROPOSED	IMPACT ON CAPITAL ASSETS
VA CHCS - West Side	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry Residential Rehab Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry Ambulatory Care Clinic 	<ul style="list-style-type: none"> New construction of two floors above the ambulatory care clinics (Building 30) Building 1 is closed, mothballed, and targeted for EU or disposal opportunities
VA CHCS – Lakeside	<ul style="list-style-type: none"> Acute Medicine and Surgical Services Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine and Surgical Services Ambulatory Care Clinic 	<ul style="list-style-type: none"> Enhanced Use Lease of entire Lakeside Hospital Leaseback 79 acute beds and ACC
Hines	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry SCI Blind Rehab Residential Rehab Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry SCI Blind Rehab Residential Rehab Nursing Home Care Domiciliary Ambulatory Care Clinic 	<ul style="list-style-type: none"> Renovation of acute care space in main hospital (Building 200), including SCI ward to meet new demand and current space standards Renovation portions of Building 1 to house 75 domiciliary beds and relocation of any displaced services/missions. Construct a new blind rehab facility to upgrade to current space standards; demolish Buildings 12 and 13 EU outleasing of two underutilized parcels of land
North Chicago	<ul style="list-style-type: none"> Acute Medicine and Psychiatry Residential Rehab Domiciliary Long-term Psychiatry Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute medicine beds (27) preserved through DoD sharing Acute Psychiatry Residential Rehab Domiciliary Long-term Psychiatry Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Operation of inpatient wards turned over to DoD Renovation of acute psych wards (Building 133CA) Renovation of nursing home care and long-term psych wards (Buildings 131 & 134) EU lease of real property to NTC Great Lakes for base expansion

OPTION A—SUMMARY OF SERVICES

SOUTHERN MARKET		Inpatient					Extended Care							
Sub Market	Inpatient Service Site	Medical	Surgical	Acute Psych	SCI	Blind Rehab	RRTP	DOM	SCI RCF	Long-term Psych	NHCU	Bed Total	Contract Beds	VA Beds
Chicago City	West Side VAMC	43	15	40								98		98
	Lakeside VAMC	43	36									79		79
Chicago Suburban	Hines VAMC	121	54	30	68	34	59	75	30		238	709		709
	North Chicago	27		30			40	186		67	248	598		598
Service Totals		234	105	100	68	34	99	261	30	67	486	1484	0	1484
<i>Subtotal</i>	Cat. 1-6	221	99	96	65	32	97	249	28	65	466	1418		1418
	Cat. 7	13	6	4	3	2	2	13	2	2	19	66		66
Market Total		541					943					1484		1484

PORTFOLIO LEVEL IMPACTS OF OPTION B

FACILITY	REALIGNMENT OF MISSION / UTILIZATION		
	CURRENT	PROPOSED	IMPACT ON CAPITAL ASSETS
VA CHCS– West Side	<ul style="list-style-type: none"> • Acute Medicine, Surgery and Psychiatry • Residential Rehab • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Acute Medicine, Surgery and Psychiatry • Residential Rehab • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Building 1 is renovated to accommodate 177-bed inpatient and residential rehab missions
VA CHCS – Lakeside	<ul style="list-style-type: none"> • Acute Medicine and Surgical services • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • EU lease of entire Lakeside Hospital • Lease back space for ACC
Hines	<ul style="list-style-type: none"> • Acute Medicine, Surgery and Psychiatry • SCI • Blind Rehab • Residential Rehab • Nursing Home Care • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Acute Medicine, Surgery and Psychiatry • SCI • Blind Rehab • Residential Rehab • Nursing Home Care • Domiciliary • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Renovation of acute care space in main hospital (Building 200), including SCI ward to meet new demand and current space standards • Renovation portions of Building 1 to house 75 domiciliary beds and relocation of any displaced services/missions. • Construct a new blind rehabilitation facility to upgrade to current space standards, demolish Buildings 12 and 13 • EU outleasing of two underutilized parcels of land
North Chicago	<ul style="list-style-type: none"> • Acute Medicine and Psychiatry • Residential Rehab • Domiciliary • Long-term Psychiatry • Nursing Home Care • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Acute Medicine Beds (27) Preserved Through DoD Sharing • Acute Psychiatry • Residential Rehab • Domiciliary • Long-term Psychiatry • Nursing Home Care • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Operation of inpatient wards turned over to DoD • Renovation of acute psych wards (Building 133CA) • Renovation of nursing home care and long-term psych wards (Buildings 131 & 134) • EU lease of real property to NTC Great Lakes for base expansion

Appendix A...

OPTION B—SUMMARY OF SERVICES

SOUTHERN MARKET		Inpatient					Extended Care							
Sub Market	Inpatient Service Site	Medical	Surgical	Acute Psych	SCI	Blind Rehab	RRTP	DOM	SCI RCF	Long-term Psych	NHCU	Bed Total	Contract Beds	VA Beds
Chicago City	West Side VAMC	79	38	40			20					177		177
	Lakeside VAMC											0		0
Chicago Suburban	Hines VAMC	128	67	30	68	34	39	75	30		238	709		709
	North Chicago	27		30			40	186		67	248	598		598
Service Totals		234	105	100	68	34	99	261	30	67	486	1484	0	1484
<i>Subtotal</i>	Cat. 1-6	221	99	96	65	32	97	249	28	65	466	1418		1418
	Cat. 7	13	6	4	3	2	2	13	2	2	19	66		66
Market Total		541					943					1484		

PORTFOLIO LEVEL IMPACTS OF OPTION C

FACILITY	REALIGNMENT OF MISSION / UTILIZATION		
	CURRENT	PROPOSED	IMPACT ON CAPITAL ASSETS
VA CHCS— West Side	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry Residential Rehab Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Psychiatry Residential Rehab Ambulatory Care Clinic 	<ul style="list-style-type: none"> New construction of one floor above the ambulatory care clinics (Building 30) Building 1 is closed, mothballed, and targeted for EU or disposal opportunities
VA CHCS— Lakeside	<ul style="list-style-type: none"> Acute Medicine and Surgical services Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine and Surgical services Ambulatory Care Clinic 	<ul style="list-style-type: none"> EU lease of entire Lakeside Hospital Lease back 128 acute beds and ACC
Hines	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry SCI Blind Rehab Residential Rehab Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry SCI Blind Rehab Residential Rehab Nursing Home Care Domiciliary Ambulatory Care Clinic 	<ul style="list-style-type: none"> Renovation of acute care space in main hospital (Building 200), including SCI ward to meet new demand and current space standards Renovation portions of Building 1 to house 75 domiciliary beds and relocation of any displaced services/missions Construct a new blind rehabilitation facility to upgrade to current space standards, demolish Buildings 12 and 13 EU outleasing of two underutilized parcels of land
North Chicago	<ul style="list-style-type: none"> Acute Medicine and Psychiatry Residential Rehab Domiciliary Long-term Psychiatry Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine Beds (27) Preserved Through DoD Sharing Acute Psychiatry Residential Rehab Domiciliary Long-term Psychiatry Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Operation of inpatient wards turned over to DoD Renovation of acute psych wards (Building 133CA) Renovation of nursing home care and long-term psych wards (Buildings 131 & 134) EU lease of real property to NTC Great Lakes for base expansion

OPTION C—SUMMARY OF SERVICES

SOUTHERN MARKET		Inpatient					Extended Care							
Submarket	Inpatient Service Site	Medical	Surgical	Acute Psych	SCI	Blind Rehab	RRTP	DOM	SCI RCF	Long-term Psych	NHCU	Bed Total	Contract Beds	VA Beds
City	West Side VAMC			40			20					60		60
	Lakeside VAMC	79	49									128		128
Suburban	Hines VAMC	128	56	30	68	34	39	75	30		238	698		698
	North Chicago	27		30			40	186		67	248	598		598
Service Totals		234	105	100	68	34	99	261	30	67	486	1484		1484
<i>Subtotal</i>	Cat. 1-6	221	99	96	65	32	97	249	28	65	466	1418		1418
	Cat. 7	13	6	4	3	2	2	13	2	2	19	66		66
Market Total		541					943					1484		1484

PORTFOLIO LEVEL IMPACTS OF OPTION D

FACILITY	REALIGNMENT OF MISSION / UTILIZATION		
	CURRENT	PROPOSED	IMPACT ON CAPITAL ASSETS
VA CHCS— West Side	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry Residential Rehab Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry Ambulatory Care Clinic 	<ul style="list-style-type: none"> New construction of two floors above the ambulatory care clinic (Building 30) Building 1 is closed, mothballed, and targeted for EU or disposal opportunities
VA CHCS— Lakeside	<ul style="list-style-type: none"> Acute Medicine and Surgical services Ambulatory Care Clinic 	<ul style="list-style-type: none"> Ambulatory Care Clinic 	<ul style="list-style-type: none"> EU lease of entire Lakeside Hospital Lease back ACC
Hines	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry SCI Blind Rehab Residential Rehab Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry SCI Blind Rehab Residential Rehab Nursing Home Care Domiciliary Ambulatory Care Clinic 	<ul style="list-style-type: none"> Renovation of acute care space in main hospital (Building 200), including SCI ward to meet new demand and current space standards Renovation portions of Building 1 to house 75 domiciliary beds and relocation of any displaced services/missions Construct a new blind rehabilitation facility to upgrade to current space standards, demolish Buildings 12 and 13 EU outleasing of two underutilized parcels of land
North Chicago	<ul style="list-style-type: none"> Acute Medicine and Psychiatry Residential Rehab Domiciliary Long-term Psychiatry Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine Beds (27) Preserved Through DoD Sharing Acute Psychiatry Residential Rehab Domiciliary Long-term Psychiatry Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Operation of inpatient wards turned over to DoD. Renovation of acute psych wards (Building 133CA) Renovation of nursing home care and long-term psych wards (Buildings 131 & 134) EU lease of real property to NTC Great Lakes for base expansion

OPTION D—SUMMARY OF SERVICES

SOUTHERN MARKET		Inpatient					Extended Care							
Submarket	Inpatient Service Site	Medical	Surgical	Acute Psych	SCI	Blind Rehab	RRTP	DOM	SCI RCF	Long-term Psych	NHCU	Bed Total	Contract Beds	VA Beds
City	West Side VAMC	43	15	40								98		98
	Lakeside VAMC											0		0
Suburban	Hines VAMC	164	90	30	68	34	59	75	30		238	788		788
	North Chicago	27		30			40	186		67	248	598		598
	Service Totals	234	105	100	68	34	99	261	30	67	486	1484		1484
<i>Subtotal</i>	Cat. 1-6	221	99	96	65	32	97	249	28	65	466	1418		1418
	Cat. 7	13	6	4	3	2	2	13	2	2	19	66		66
Market Total		541					943					1484		1484

PORTFOLIO LEVEL IMPACTS OF OPTION E

FACILITY	REALIGNMENT OF MISSION / UTILIZATION		
	CURRENT	PROPOSED	IMPACT ON CAPITAL ASSETS
Milwaukee	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry SCI Domiciliary Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine, Surgery, and Psychiatry SCI Domiciliary Nursing Home Care Ambulatory Care Clinic New CBOC in Green Bay 	<ul style="list-style-type: none"> Renovation of acute care ward (Building 111) Renovation of Spinal Cord Injury wards A and C (Building 111) Renovation of 80 nursing home care beds (Building 111)
Madison	<ul style="list-style-type: none"> Acute Medicine and Surgical Services Residential Rehab Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine and Surgical Services Residential Rehab Ambulatory Care Clinic New CBOC in Freeport 	<ul style="list-style-type: none"> Eu Lease of entire Madison Hospital Lease back acute and RRTP beds and ACC
Tomah	<ul style="list-style-type: none"> Acute Medicine and Psychiatry Residential Rehab Long-term Psychiatry Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine and Psychiatry Residential Rehab Long-term Psychiatry Nursing Home Care Ambulatory Care Clinic New CBOC in Wisconsin Rapids 	<ul style="list-style-type: none"> Renovation of med/surg ward (Building 400) Renovation of mental health ward (Building 408) Renovation of psych rehab beds (Building 404) Renovation of nursing home care (Buildings 402, 403, and 406)

OPTION E—SUMMARY OF SERVICES

CENTRAL MARKET		Inpatient					Extended Care					Bed Total	Contract Beds	VA Beds
Sub Market	Inpatient Service Site	Medical	Surgical	Acute Psych	SCI	Blind Rehab	RRTP	DOM	SCI RCF	Long- term Psych	NHCU			
Milwaukee	MilwaukeeVAMC	41	19	22	38			318			80	518		518
Madison	Madison VAMC	23	11	10			9					53		53
*LaCrosse	Private Sector		4									4	4	
	Tomah VAMC	8		7			31			45	157	248		248
*Wisc. Rapids	Private Sector	4	2	2								8	8	
*Green Bay	Private Sector	10	5	4								19	19	
Madison West	Private Sector	3	1	2								6	6	
Totals		89	42	47	38	0	40	318	0	45	237	856	37	819
<i>Subtotal</i>	Cat. 1-6	84	39	45	36	0	39	298	0	43	226	810		
	Cat. 7	5	3	2	2	0	1	20	0	2	11	46		
Market Total		216					640					856		
VISN Service Totals		89	42	47	38	0	40	318	0	45	237	856	37	819
Contract Beds		17	12	8	0	0	0	0	0	0	0	37		
VA Beds		72	30	39	38	0	40	318	0	45	237	819		

PORTFOLIO LEVEL IMPACTS OF OPTION F

FACILITY	REALIGNMENT OF MISSION / UTILIZATION		
	CURRENT	PROPOSED	IMPACT ON CAPITAL ASSETS
Milwaukee	<ul style="list-style-type: none"> Acute Medicine, Surgery and Psychiatry SCI Domiciliary Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine, Surgery, and Psychiatry SCI Domiciliary Nursing Home Care Ambulatory Care Clinic New CBOC in Green Bay 	<ul style="list-style-type: none"> Renovation of acute care ward (Building 111) Renovation of spinal cord injury Wards A and C (Building 111) Renovation of nursing home care wards (Building 111)
Madison	<ul style="list-style-type: none"> Acute Medicine and Surgical Services Residential Rehab Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine and Surgical Services Residential Rehab Ambulatory Care Clinic New CBOC in Freeport 	<ul style="list-style-type: none"> EU Lease of entire Madison Hospital Lease back acute beds, RRTP and ACC
Tomah	<ul style="list-style-type: none"> Acute Medicine and Psychiatry Residential Rehab Long-term Psychiatry Nursing Home Care Ambulatory Care Clinic 	<ul style="list-style-type: none"> Acute Medicine and Psychiatry Residential Rehab Long-term Psychiatry Nursing Home Care Ambulatory Care Clinic New CBOC in Wisconsin Rapids 	<ul style="list-style-type: none"> Renovation of med/surg ward (Building 400) Renovation of mental health ward (Building 408) Renovation of psych rehab beds (Building 404) Renovation of nursing home care (Buildings 402, 403, and 406)

OPTION F—SUMMARY OF SERVICES

CENTRAL MARKET		Inpatient					Extended Care					Bed Total	Contract Beds	VA Beds
Submarket	Inpatient Service Site	Medical	Surgical	Acute Psych	SCI	Blind Rehab	RRTP	DOM	SCI RCF	Long- term Psych	NHCU			
Milwaukee	Milwaukee VAMC	51	24	26	38			318			80	537		537
Madison	Madison VAMC	30	18	14			9					71		71
*LaCrosse	Private Sector											0	0	
	Tomah VAMC	8		7			31			45	157	248		248
*Wisc. Rapids	Private Sector											0	0	
*Green Bay	Private Sector											0	0	
Madison West	Private Sector											0	0	
Service Totals		89	42	47	38	0	40	318	0	45	237	856	0	856
<i>Subtotal</i>	Cat. 1-6	84	39	45	36	0	39	298	0	43	226	810		
	Cat. 7	5	3	2	2	0	1	20	0	2	11	46		
Market Total		216					640					856		

PORTFOLIO LEVEL IMPACTS OF OPTION G

FACILITY	REALIGNMENT OF MISSION / UTILIZATION		
	CURRENT	PROPOSED	IMPACT ON CAPITAL ASSETS
Milwaukee	<ul style="list-style-type: none"> • Acute Medicine, Surgery and Psychiatry • SCI • Domiciliary • Nursing Home Care • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Acute Medicine, Surgery, and Psychiatry • SCI • Domiciliary • Nursing Home Care • Ambulatory Care Clinic • New CBOC in Green Bay 	<ul style="list-style-type: none"> • Renovation of acute care ward (Building 111) • Renovation of spinal cord injury Wards A and C (Building 111) • Renovation of nursing home care wards (Building 111)
Madison	<ul style="list-style-type: none"> • Acute Medicine and Surgical Services • Residential Rehab • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Acute Medicine, Surgery and Psychiatry Services • Residential Rehab • Nursing Home Care • Ambulatory Care Clinic • New CBOC in Freeport 	<ul style="list-style-type: none"> • Renovation of acute care wards (Building 1) • Renovation of nursing home care ward (Building 1)
Tomah	<ul style="list-style-type: none"> • Acute Medicine and Psychiatry • Residential Rehab • Long-term Psychiatry • Nursing Home Care • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Acute Medicine and Psychiatry • Residential Rehab • Long-term Psychiatry • Nursing Home Care • Ambulatory Care Clinic • New CBOC in Wisconsin Rapids 	<ul style="list-style-type: none"> • Renovation of med/surg ward (Building 400) • Renovation of mental health ward (Building 408) • Renovation of psych rehab beds (Building 404) • Renovation of nursing home care (Buildings 402, 403, and 406)

OPTION G—SUMMARY OF SERVICES

CENTRAL MARKET		Inpatient					Extended Care							
Submarket	Inpatient Service Site	Medical	Surgical	Acute Psych	SCI	Blind Rehab	RRTP	DOM	SCI RCF	Long-term Psych	NHCU	Bed Total	Contract Beds	VA Beds
Milwaukee	MilwaukeeVAMC	51	24	26	38			318			80	537		537
Madison	Madison VAMC	30	18	14			9				75	146		146
LaCrosse	Private Sector											0	0	
	Tomah VAMC	8		7			31			45	82	173		173
Wisc. Rapids	Private Sector											0	0	
Green Bay	Private Sector											0	0	
Madison West	Private Sector											0	0	
Service Totals		89	42	47	38	0	40	318	0	45	237	856		
<i>Subtotal</i>	Cat. 1-6	84	39	45	36	0	39	298	0	43	226	810		
	Cat. 7	5	3	2	2	0	1	20	0	2	11	46		
Market Total		216					640					856		

PORTFOLIO LEVEL IMPACTS OF OPTION H

FACILITY	REALIGNMENT OF MISSION / UTILIZATION		
	CURRENT	PROPOSED	IMPACT ON CAPITAL ASSETS
Iron Mountain	<ul style="list-style-type: none"> • Acute Medicine and Surgery • Residential Rehab • Nursing Home Care • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Acute Medicine • Residential Rehab • Nursing Home Care • Ambulatory Care Clinic • New CBOC in Delta County/Gladstone 	<ul style="list-style-type: none"> • Renovation of acute care wards (Building 1) • Renovation of nursing home care wards (Building 1) • Activate CBOC

OPTION H—SUMMARY OF SERVICES

NORTHERN FRONTIER		Inpatient					Extended Care					Bed Total	Contract Beds	VA Beds
Sub Market	Inpatient Service Site	Medical	Surgical	Acute Psych	SCI	Blind Rehab	RRTP	DOM	SCI RCF	Long- term Psych	NHCU			
Iron Mountain	VAMC	8					7				48	63		63
Marquette	Private Sector	2	5	2								9	9	
Rhinelanders	Private Sector	5	2	1								8	8	
Sault Ste Marie	Private Sector	1	1	1								3	3	
Hancock	Private Sector	1	1									2	2	
Iron Wood	Private Sector	2	1									3	3	
NE Wisc.	Private Sector	1										1	1	
Totals		20	10	4	0	0	7	0	0	0	48	89	26	63
<i>Subtotal</i>	Cat. 1-6	19	9	4	0	0	7	0	0	0	46	85		
	Cat. 7	1	1	0	0	0	0	0	0	0	2	4		
Market Total		34					55					89		
VISN Service Totals		20	10	4	0	0	7	0	0	0	48	89	26	63

PORTFOLIO LEVEL IMPACTS OF OPTION I

FACILITY	REALIGNMENT OF MISSION / UTILIZATION		
	CURRENT	PROPOSED	IMPACT ON CAPITAL ASSETS
Iron Mountain	<ul style="list-style-type: none"> • Acute Medicine and Surgery • Residential Rehab • Nursing Home Care • Ambulatory Care Clinic 	<ul style="list-style-type: none"> • Acute Medicine, Surgery, and Psychiatry • Residential Rehab • Nursing Home Care • Ambulatory Care Clinic • New CBOC in Delta County/Gladstone 	<ul style="list-style-type: none"> • Renovation of acute care wards (Building 1) • Renovation of nursing home care wards (Building 1) • Activate CBOC

OPTION I—SUMMARY OF SERVICES

NORTHERN FRONTIER		Inpatient					Extended Care							
Submarket	Inpatient Service Site	Medical	Surgical	Acute Psych	SCI	Blind Rehab	RRTP	DOM	SCI RCF	Long-term Psych	NHCU	Bed Total	Contract Beds	VA Beds
Mountain	VAMC	20	10	4			7				48	89		89
Marquette	Private Sector											0	0	
Rhineland	Private Sector											0	0	
Sault Ste Marie	Private Sector											0	0	
Hancock	Private Sector											0	0	
Iron Wood	Private Sector											0	0	
NE Wisc.												0	0	
Service Totals		20	10	4	0	0	7	0	0	0	48	89	0	89
<i>Subtotal</i>	Cat. 1-6	19	9	4	0	0	7	0	0	0	46	85		
	Cat. 7	1	1	0	0	0	0	0	0	0	2	4		
Market Total		34					55					89		

VISN 12 BED REQUIREMENTS—FY2000 AND FY2010**Acute Inpatient Beds**

	Medical	Surgical	Acute Psych.	SCI	BR	Total
FY2000	494	114	200	106	34	948
FY2010	344	170	149	106	34	803

Extended Care Beds

	PR RTP	Dom.	Long-term Psych.	NHCU	Total
FY2000	193	541	154	696	1584
FY2010	147	608	101	768	1624